



ConocoPhillips Company
6825 South 5300 West
P.O. Box 851
Price, UT 84501

February 21, 2005

Mr. Eric Jones
Bureau of Land Management
82 East Dogwood
Moab, Utah 84532

RE: Application for Permit to Drill-
USA 15-421 NE/4 NW/4 Sec.15
T15S, R08E, SLB & M, Carbon County, Utah

RECEIVED
FEB 25 2005
DIV. OF OIL, GAS & MINING

Dear Mr. Jones:

Enclosed is a revised *Application for Permit to Drill* (APD) to replace the APD submitted to you on 12-23-04. The APD has been revised due to a problem on the original survey plat and the need to add cementing information. Included with this revised APD is the following information:

- Exhibit "A"- Survey Plat of the Proposed Well Site (revised 2-15-05);
- Exhibit "B" - Proposed Location Map with Pipeline, Power, and Road Access;
- Exhibit "C" - Drilling Site Layout;
- Exhibit "D" - Drilling Information (Cementing Plan added)
- Exhibit "E" - Multipoint Surface Use Plan
- Exhibit "F" - Typical Road Cross-section;
- Exhibit "G" - BOP Diagram;
- Exhibit "H" - Typical Wellhead Manifold;
- Exhibit "T" - Evidence of Bond;

COPY

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USA 15-421
February 21, 2005
Page Two

This proposed well is located more than 460' from the boundary of the Unit Area and from the boundary of any uncommitted tract within the Unit Area and will not require the administrative approval in accordance with Utah Administrative Code Rule R649-3-3.

Please accept this letter as ConocoPhillips Company's written request for confidential treatment of all information contained in and pertaining to this permit application, if said information is eligible for such consideration.

Thank you very much for your timely consideration of this application. Please feel free to contact me if you have any questions.

Sincerely,



Jean Semborski
Planning and Compliance Supervisor

cc: Ms. Diana Whitney, DOGM
Mr. Gene Herrington, Texaco
Mr. John Lennon, Dominion Resources
Mr. Don Stephens, BLM, Price, Utah
Ms. Jane Strickland, ConocoPhillips
Mr. Mark Jones, DOGM, Price, Utah
ConocoPhillips Well File

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

5. Lease Serial No.
U-72355

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA Agreement, Name and No.
Drunkards Wash UTU-67921X

8. Lease Name and Well No.
USA 15-421

9. API Well No.

43-007-20787

10. Field and Pool, or Exploratory
Drunkards Wash

11. Sec., T. R. M. or Blk. and Survey or Area
NE/NW, Sec. 15, T.15S, R.08E

12. County or Parish
Carbon

13. State
UT

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
ConocoPhillips Company

3a. Address P.O. Box 851

3b. Phone No. (include area code)
435-613-9777

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface 469' FNL, 1909' FWL 498758X 39.526208

At proposed prod. zone 4374964Y 111.014453

14. Distance in miles and direction from nearest town or post office*
12.2 Miles southwest of Price, Utah

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)
469'

16. No. of acres in lease
480 acres

17. Spacing Unit dedicated to this well
160 acres

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft. 1700'

19. Proposed Depth
4450' TD

20. BLM/BIA Bond No. on file
8015-16-69

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
7582.5' GR

22. Approximate date work will start*
08/15/2005

23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

Jean Semborski

Name (Printed/Typed)

Jean Semborski

Date

02/21/2005

Title

Planning and Compliance Supervisor

Approved by (Signature)

Bradley G. Hill

Name (Printed/Typed)

BRADLEY G. HILL

Date

03-01-05

Title

ENVIRONMENTAL SCIENTIST III

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

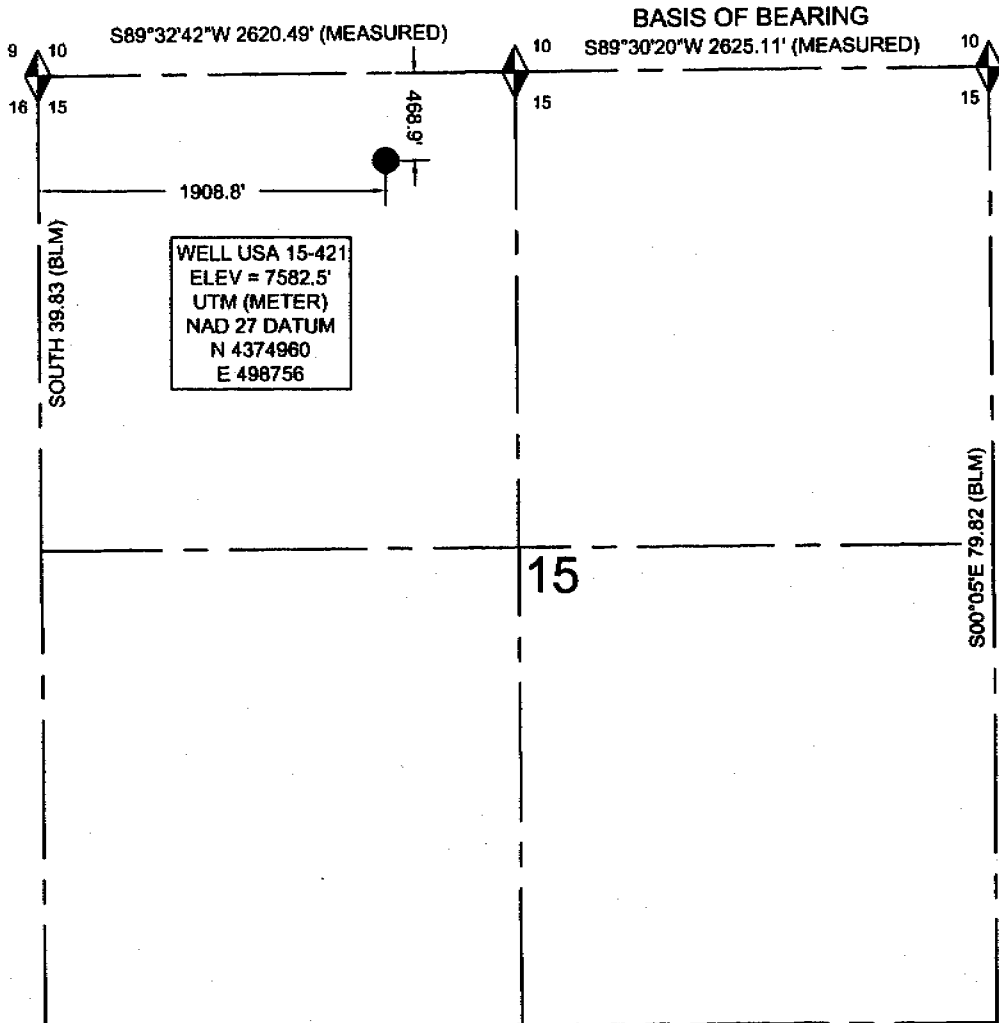
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)




Federal Approval of this
Action is Necessary

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DIV. OF OIL, GAS & MINING



LEGEND

-  FOUND MONUMENT
-  DRILL HOLE LOCATION
-  BUREAU OF LAND MANAGEMENT BEARING / DISTANCE

WELL USA 15-421
 GEODETIC COORDINATES (NAD 1927)
 LAT.: 39°31'34" N
 LONG.: 111°00'52" W
 ELEV=7582.5 (NGVD 1929)

NARRATIVE

THE PURPOSE OF THIS SURVEY IS TO LOCATE AND DESCRIBE A WELL SITE FOR CONOCOPHILLIPS COMPANY, AND IS SITUATED IN THE NORTHWEST QUARTER OF SECTION 15, TOWNSHIP 15 SOUTH, RANGE 8 EAST, SALT LAKE BASE AND MERIDIAN, CARBON COUNTY, UTAH.

THE BASIS OF BEARING USED FOR THIS SURVEY IS SOUTH 89°30'20" WEST BETWEEN THE NORTHEAST CORNER AND THE NORTH QUARTER CORNER OF SAID SECTION 15.

THE BASIS OF ELEVATION USED FOR THIS SURVEY IS 7160 FEET (NGVD 1929) AT THE NORTHEAST CORNER OF SECTION 10, TOWNSHIP 15 SOUTH, RANGE 8 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE WATTIS, UTAH 7.5' QUADRANGLE.

SITE DESCRIPTION

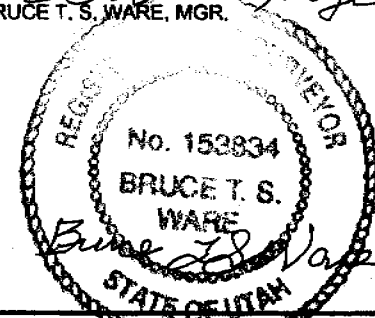
A PROPOSED DRILL HOLE SITUATED IN THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 15, TOWNSHIP 15 SOUTH, RANGE 8 EAST, SALT LAKE BASE AND MERIDIAN, SAID DRILL HOLE IS LOCATED 1908.8 FEET EAST AND 468.9 FEET SOUTH FROM THE NORTHWEST CORNER OF SAID SECTION 15.

CERTIFICATE OF SURVEY

I, BRUCE T. S. WARE, DO HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR, CERTIFICATE NO. 153834 AS PRESCRIBED BY THE LAWS OF THE STATE OF UTAH. I FURTHER CERTIFY THAT I HAVE MADE A SURVEY OF THE TRACT OF GROUND SHOWN AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE. IT DOES NOT PURPORT TO SHOW ALL EASEMENTS OF RECORD, NOR IS IT PROOF OF OWNERSHIP.

DATE: 2-15-05

Bruce T. S. Ware, Mgr.
 BRUCE T. S. WARE, MGR.




WARE SURVEYING & ENGINEERING, L.L.C.

Phone: 435-637-2620 2223 North 1200 West
 Email: waresurveying@emerytelcom.net Helper, Utah 84526

SURVEY FOR:
ConocoPhillips

WELL USA 15-421
 WATTIS, CARBON COUNTY, UTAH
 NE 1/4, NW 1/4, SECTION 15, T. 15 S., R. 8 E., SLB&M

DRAWN BY: MCW	SCALE: 1" = 1000'
CHECKED BY: BTSW	JOB NO.: CONOCO-WAT
DATE: 11-29-04	DRAWING NO. P-1
REVISIONS: 2	

GRAPHIC SCALE

 1 IN = 1000 FT

SURETY RIDER

To be attached to and form a part of

Bond No. 8015-16-69

Type of

Bond: NATION-WIDE OIL AND GAS BOND

dated

effective 10/19/1963
(MONTH-DAY-YEAR)

executed by CONOCO INC. AND CONOCO GAS HOLDINGS L.L.C.
(PRINCIPAL)

,as Principal,

and by FEDERAL INSURANCE COMPANY

,as Surety,

in favor of UNITED STATES OF AMERICA
(OBLIGEE)

in consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to changing
PRINCIPAL NAME IS HEREBY AMENDED FROM CONOCO INC. AND CONOCO GAS HOLDINGS L.L.C. TO
CONOCOPHILLIPS COMPANY.

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

This rider
is effective

01/01/2003
(MONTH-DAY-YEAR)

Signed and Sealed 12/18/2002

(MONTH-DAY-YEAR)

CONOCOPHILLIPS COMPANY

(PRINCIPAL)

By:


(PRINCIPAL)

FEDERAL INSURANCE COMPANY

(SURETY)

By:


(ATTORNEY-IN-FACT) TINA MARIE FOSTER

Bureau of Land Management
Moab District
Application for Permit to Drill
On-Site Inspection Checklist

Company ConocoPhillips Company Well No. USA 15-421
Location: Sec. 15, T 15 S, R 08 E, Lease No. U-72355
On-Site Inspection Date: 10/15/04

All operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, the approved plan of operations and the conditions of approval. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

A. DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops:
Surface formation: Upper Mancos Shale
Estimated top of Ferron Formation: 3950' - TD=4450'
2. Estimated Depth at Which Oil, Gas, Water or Other Mineral Bearing Zones are Expected to be Encountered

Formation

Depth

Expected Oil Zones: none
Expected Gas Zones: Ferron Coal Interval: 3975'-4150'
Expected Water Zones: 3975'-4150'
Expected Mineral Zones: none

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and will be cased and cemented. When possible, water flow rates will be measured and samples will be taken and analyzed. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment- include schematics of the BOP and choke manifold, and describe testing procedures: Quick Test is contracted to test the manifold, blind rams, and B.O.P to 2000 psi. Surface casing is tested to 1 psi/ft. See attachment.

BOP systems will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers shall be inspected and operated each trip (no more than once a day is necessary), and annular preventers shall be inspected and operated weekly to ensure good mechanical working order. These inspections shall be recorded in the drilling log and in the daily drilling report.

4. Casing Program and Auxiliary Equipment - include casing size, weight, grade, thread and coupling, setting depth and condition (new or acceptably reconditioned): Approximately 4440' of 5-1/2", N-80 17#/ft production casing will be installed 10% of the above setting depth will be 8-5/8", 24#/ft. J-55 surface casing.

5. Cement-include the cement type, density, yield, additives and amount used in setting each casing string. Also include the anticipated cement fill-up. If stage cementing, describe techniques: See cementing information below.

USA 15-421 Cementing Program

Size of Hole	Grade, Size of Casing	Weight Per Foot	Setting Depth	Quantity of Cement
14"	12-3/4	Conductor	40'	
11"	8-5/8"	24#/Ft.	450'	194 sks G=2% Cacl +1/4# per sack flocl
7 7/8"	5- 1/2"	17#/Ft.	4,440'	Lead-429.6 sks 50/50 POZ +8% gel +2% CaCl +10% extender. Tail- 85.7 sks "G" thixotropic

6. Mud Program and Circulating Medium- include mud components and weights. When air drilling, also include: length and location of blooie line; description of the auto ignitor; description of the deduster equipment; and amounts, types and characteristics of stand-by mud: Hole will be drilled with air.
7. Coring, Logging and Testing Program: Bulk Density, Gamma, Neutron Density, Resistivity and Caliper logs will be run.
Initial opening of drill stem test tools will be restricted to daylight hours.
8. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards- include anticipated bottomhole pressure and/or pressure gradient: No abnormal conditions are anticipated, formation is slightly over-pressured, estimated BHP1927 PSI.
9. Any Other Aspects of this Proposal that should be Addressed:

B. THIRTEEN POINT SURFACE USE PLAN

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

1. Existing Roads:
 - a. Proposed route to location (submit a map depicting access and well location).
 - b. Location of proposed well in relation to town or other reference point: 12.2 Miles South West of Price, Utah.
 - c. Contact the Carbon County Road Department for use of county roads. The use of Carbon County roads will require an encroachment permit from the Carbon County Road Department.
 - d. Plans for improvement and/or maintenance of existing roads: Upgrade and maintain existing state or county roads.
 - e. Other:

2. Planned Access Roads:

- a. Location (centerline): Sec.15, T15S, R08E, 469' FNL, 1909' FWL
- b. Length of new access to be constructed: 0'
- c. Length of existing roads to be upgraded 1700'
- d. Maximum total disturbed width: 27'
- e. Maximum travel surface width: 24'
- f. Maximum grades: 6%
- g. Turnouts: none
- h. Surface materials: In-place residual of Mancos Shale
- i. Drainage (crowning, ditching, culverts, etc): Roads will be crowned with water ditches on both sides. Water will be diverted around pad as necessary and 2 culverts will be placed along upgraded roadway.
- j. Cattleguards: none
- k. Length of new and/or existing roads which lie outside the lease boundary for which a BLM right-of-way is required: N/A
- l. Other:

Surface disturbance and vehicular travel will be limited to the approved location access road. Any additional area needed must be approved by the Area Manager in advance.

If a right-of-way is necessary, no surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. The holder will adhere to conditions of approval in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.

If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.

If the well is productive, the access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

3. Location of Existing Wells-on a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each: See Attachment "B"

4. Location of Production Facilities:

- a. On-site facilities: See Attachment "E"
- b. Off-site facilities: none
- c. The pipelines and powerlines will follow the proposed access route with the powerline located on the north/east side of the road and the pipelines on the west/south. The pipelines will be approximately 4" for the gas and 4" for the water. Refer to map Exhibit "B" page 1 for the location of the proposed pipeline. The length of the pipeline will be approximately 1700' long. The pipelines will be brought to the USA 15-421 from the Utah10-525.

All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, non-reflective color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six months of installation. Facilities that are required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be as follows: Olive Black

If a gas meter run is constructed, it will be located on lease within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR § 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR § 3162.7-3 and Onshore Oil and Gas Order No. 4

Production facilities on location may include a lined or unlined produced water pit as specified in NTL-2B. If water is produced from the well, an NTL-2B application must be submitted.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from (describe location and/or show on a map): PRWID

A temporary water use permit for this operation will be obtained from the Utah State Engineer in Price, Utah at (435) 637-1303.

Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of the land.

6. Source of Construction Material:

Pad construction material will be obtained from (if the source is Federally owned, show location on a map): Private Owner

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

7. Methods of Handling Waste Disposal:

Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc.

The reserve pit will be lined with (native material, bentonite, synthetic material): Pit will be lined with native material unless otherwise designated by BLM officers prior to construction.

The reserve pit will be located at the: Northwest side of the location, and the pit walls will be sloped at no greater than 2 to 1.

The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. As soon as the reserve pit has dried, all areas not needed for production will be rehabilitated.

Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations.

8. Ancillary Facilities: Garbage containers and portable toilets.

9. Well Site Layout - depict the pit, rig, cut and fill, topsoil, etc. on a plat with a scale of at least 1" = 50'.

All well, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6.

Access to the well pad will be from: Southwest of location.

The blooie line will be located in the: Northwest at least 100 feet from the well head.

To minimize the amount of fugitive dust and spray escaping from the blooie pit, the following blooie line deflection method will be employed: Water injection.

10. Plans for Restoration of the Surface:

The top 6 inches of topsoil material will be removed from the location and stockpiled separately on: adjacent land.

Topsoil along the access road will be reserved in place adjacent to the road.

Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.

The reserve pit and that portion of the location not needed for production will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be recontoured to replicate the natural slope.

The stockpiled topsoil will be evenly distributed over the disturbed area.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled between Sept. and Nov., or at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The following seed mixture will be used:

BLM recommended mixture: Pinion/Juniper

The abandonment marker will be one of the following, as specified by BLM:

- 1) At least four feet above ground level,
- 2) At restored ground level, or
- 3) Below ground level.

In any case the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

Additional requirements:

11. Surface and Mineral Ownership: BLM surface/BLM subsurface

12. Other Information:

a. Archeological Concerns: none

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five (5) working days, the AO will inform the operator as to:

- Whether the materials appear eligible for the National Register of Historic Places;
- The mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- A time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

- b. Threatened and Endangered Species Concerns: No
- c. Wildlife Seasonal Restrictions (yes/no): See EIS
- d. Off Location Geophysical Testing: N/A
- e. Drainage crossings that require additional State or Federal approval: N/A
- f. Other: N/A

13. Lessee's or Operator's Representative and Certification

Representative:

Name: Jean Semborski

Title: Planning and Compliance Supervisor

Address: 6825 S. 5300 W. P.O. Box 851
Price, Utah 84501

Phone No: (435) 613-9777 Fax (435) 613-9782

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exists; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by PPCo and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under BLM bond no. ES0048. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.


Signature

Planning & Compliance Supervisor
Title

2/21/05
Date

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FEB 28 2005
DIV. OF OIL, GAS & MINING

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the Resource Area, Natural Resource Protection Specialist at least 24 hours prior to commencing construction of location.

Spud- The spud date will be reported to the Resource Area Office 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted the District Office within 24 hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the District Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager. "Sundry Notices and Reports on Wells: (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Authorized Officer. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the Resource Area in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Area Manager is to be notified.

First Production- Should the well be successfully completed for production, the Assistant District Manager, Minerals Division will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Resource Area Office. The Resource Area Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Re-completion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analysis, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work-over, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings and/or samples) will be submitted when requested by the Assistant District Manager.

Venting/Flaring of Gas-NTL-4A allows venting/flaring of gas during the initial well evaluation period not to exceed 30 days or 50 MMcf. Venting/flaring beyond the initial test period threshold must be approved by the District Office.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Assistant District Manager for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the BLM, Moab District Office prior to initiating plugging operations. Table 1 of this document provides the after-hours phone numbers of personnel who are authorized to give plugging instructions.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Assistant District Manager, Minerals Divisions within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

TABLE 1 NOTIFICATIONS

Notify Don Stephens of the Price Resource Area, at (435)636-3608 for the following:

2 days prior to commencement of dirt work, construction or reclamation;

1 day prior to spudding;

50 feet prior to reaching surface and intermediate casing depths;

3 hours prior to testing BOP;

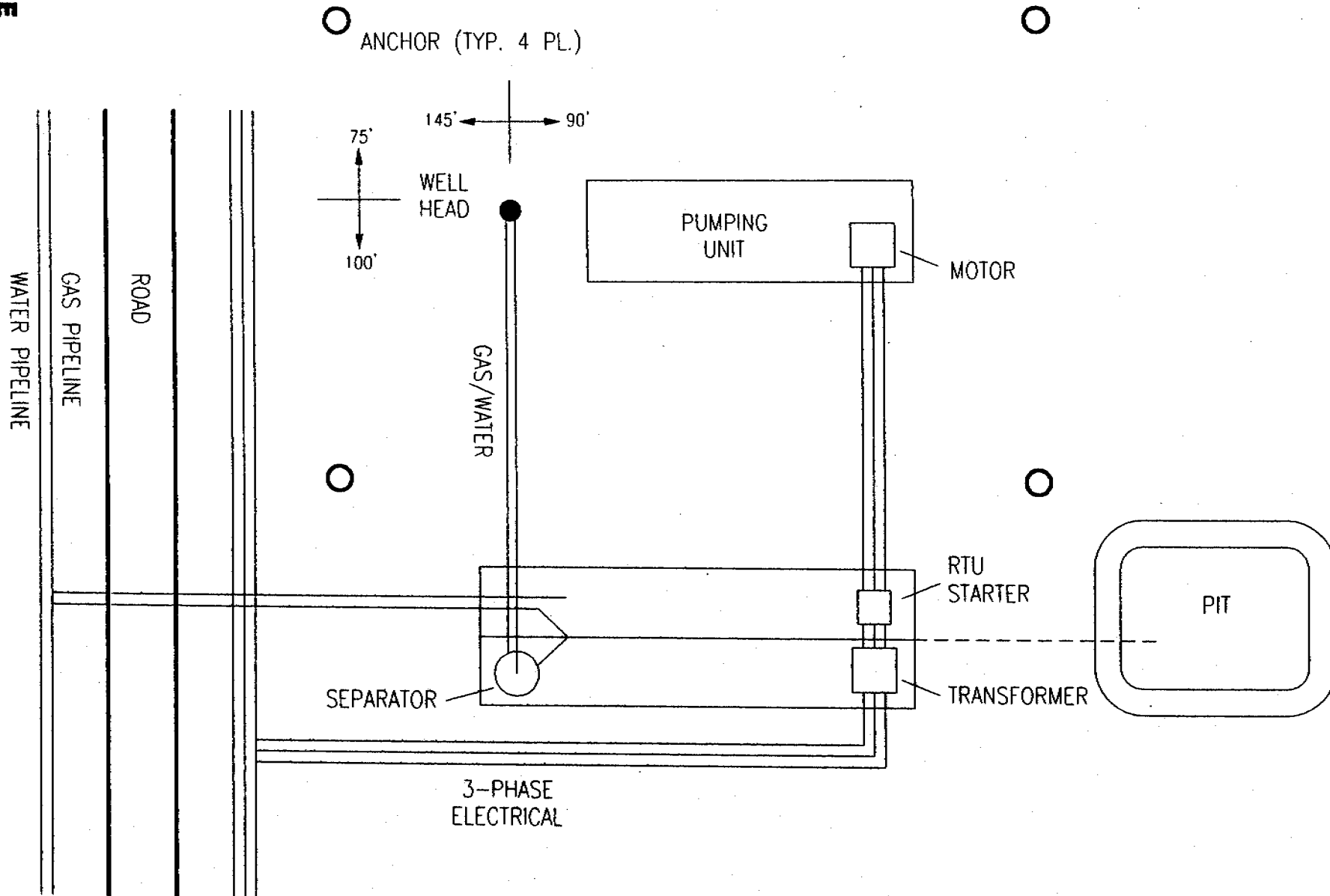
12 hours prior to reaching kickoff point depth (if applicable).

If the person at the above number cannot be reached, notify the Moab District Office at (435) 259-6111. If unsuccessful, notify one of the people listed below.

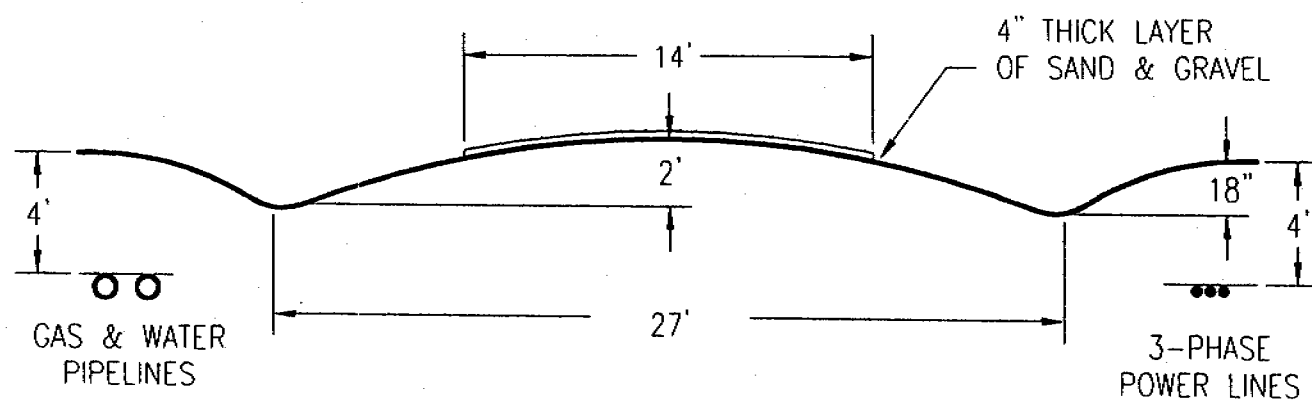
Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab District Office, Branch of Fluid Minerals at (435) 259-6111. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer	Office: (435) 259-6111
	Home: (435) 259-2214

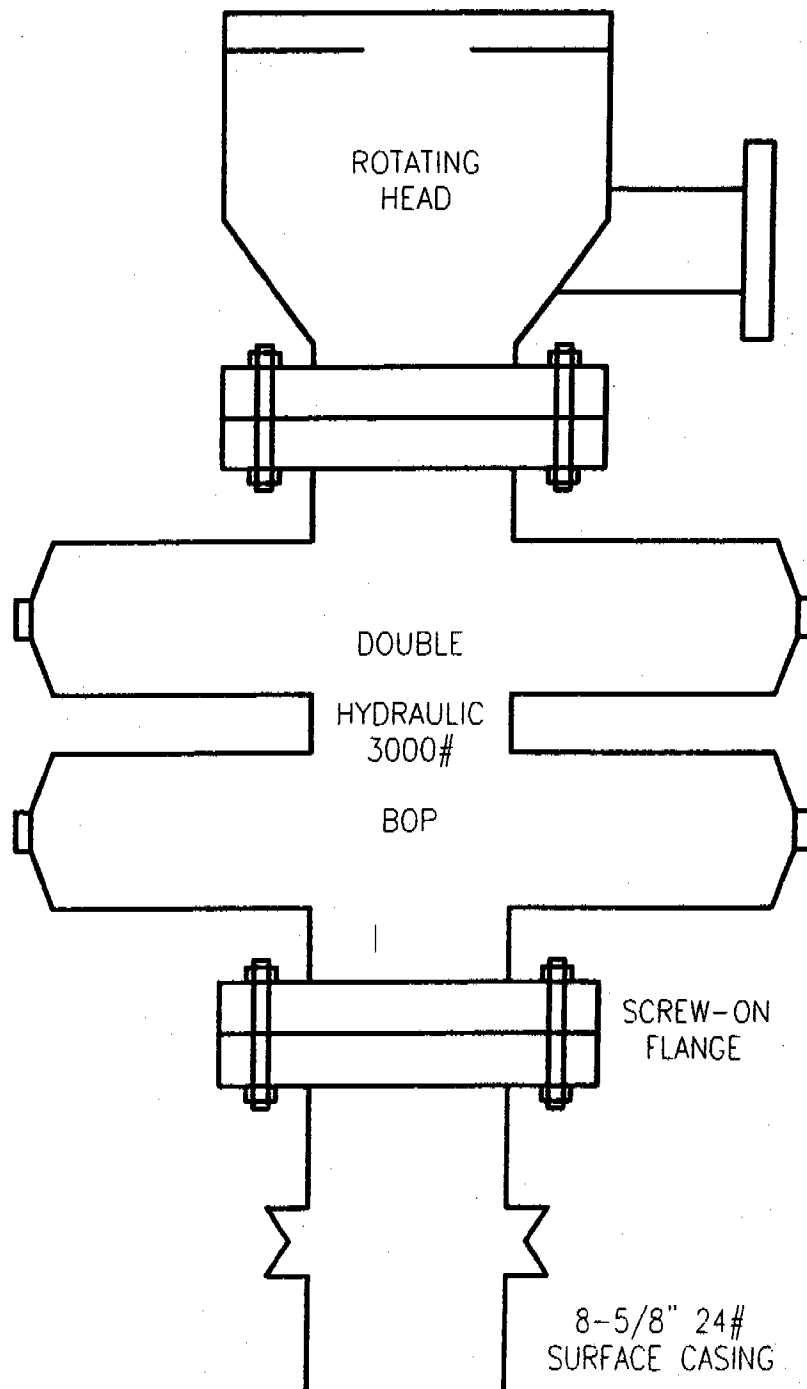
CONOCOPHILLIPS WELL SITE LAYOUT (235' x 175')



TYPICAL ROAD CROSS-SECTION



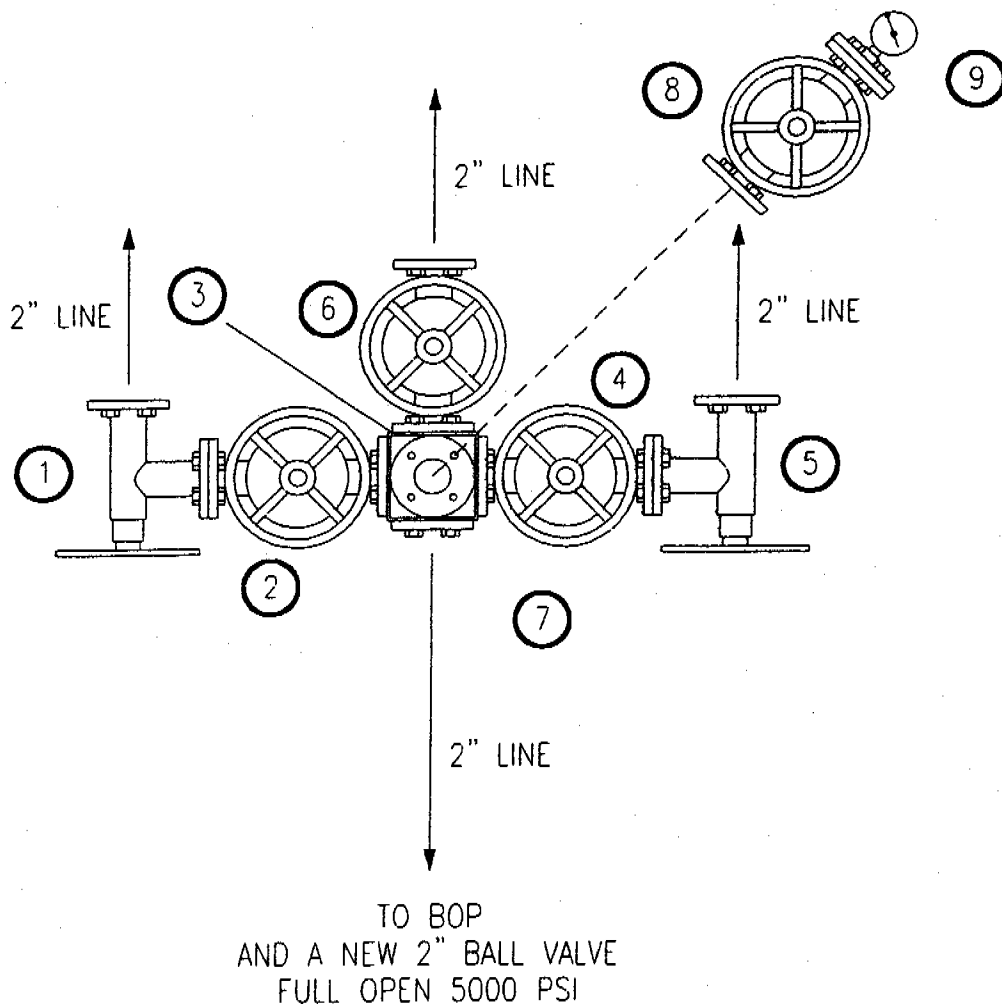
DIVERTER HEAD



- (1) 2" 5M FLANGED CHOKE
- (2) 2" 5M GATE VALVE (FLANGED)
- (3) 2" 5M STUDDED CROSS
- (4) 2" 5M GATE VALVE (FLANGED)
- (5) 2" 5M FLANGED CHOKE
- (6) 2" 5M GATE VALVE (FLANGED)
- (7) 2" LINE
- (8) 2" 5M GATE VALVE (FLANGED)
- (9) 3000# GAUGE

NOTE:

NUMBER 8 GATE VALVE SITS ON TOP OF MANIFOLD BETWEEN STUDDED CROSS AND 3000# GAUGE.



MANIFOLD

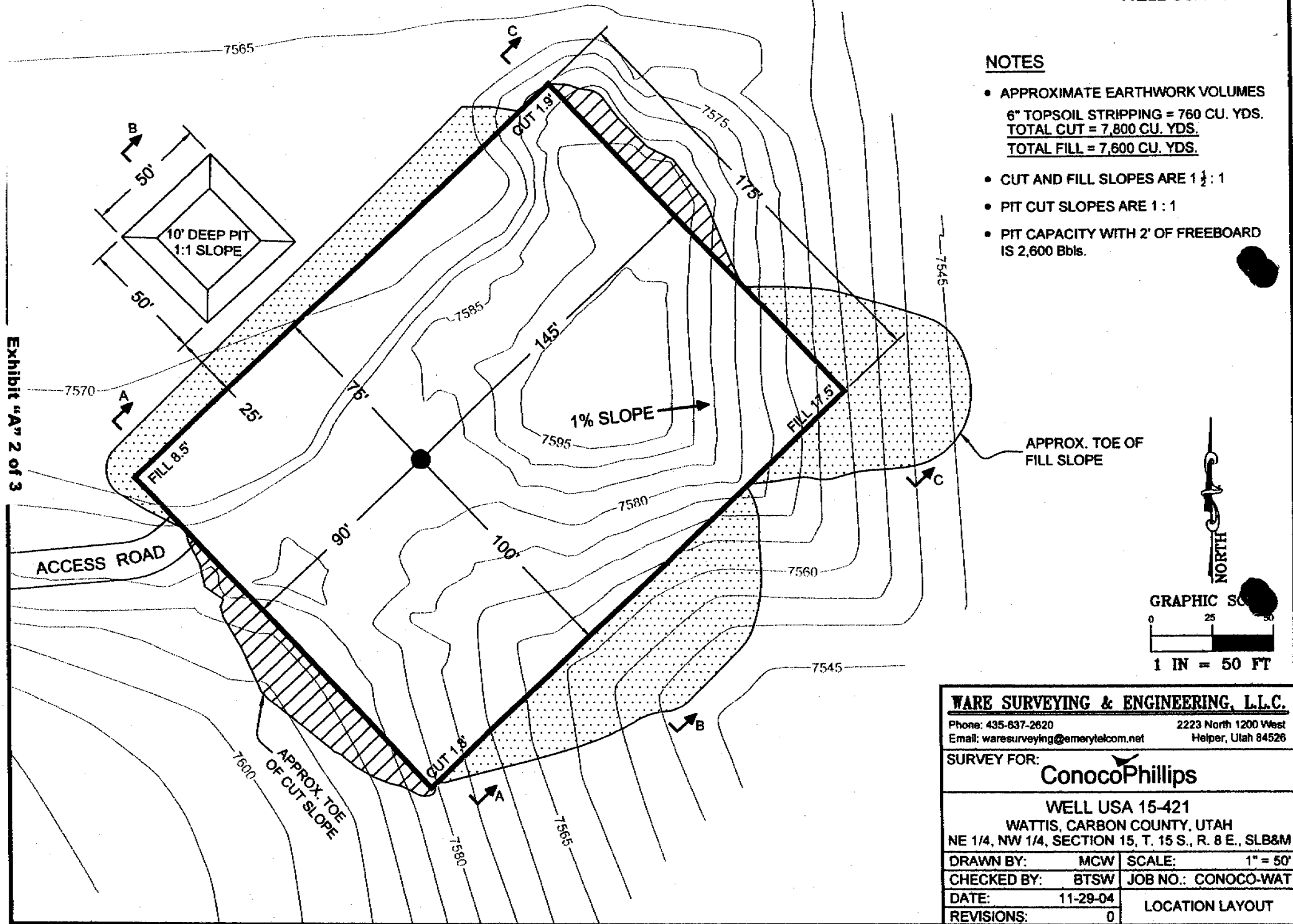
EXHIBIT H

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 7582.5 FT.
ELEVATION OF GRADED GROUND AT LOCATION STAKE = 7580 FT.

NOTES

- APPROXIMATE EARTHWORK VOLUMES
6" TOPSOIL STRIPPING = 760 CU. YDS.
TOTAL CUT = 7,800 CU. YDS.
TOTAL FILL = 7,600 CU. YDS.
- CUT AND FILL SLOPES ARE 1 1/2 : 1
- PIT CUT SLOPES ARE 1 : 1
- PIT CAPACITY WITH 2' OF FREEBOARD
IS 2,600 Bbls.

Exhibit "A" 2 of 3



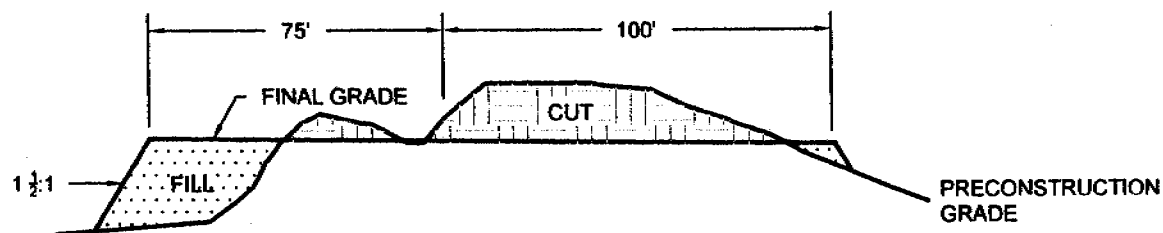
WARE SURVEYING & ENGINEERING, L.L.C.

Phone: 435-837-2620 2223 North 1200 West
Email: waresurveying@emerytelcom.net Helper, Utah 84526

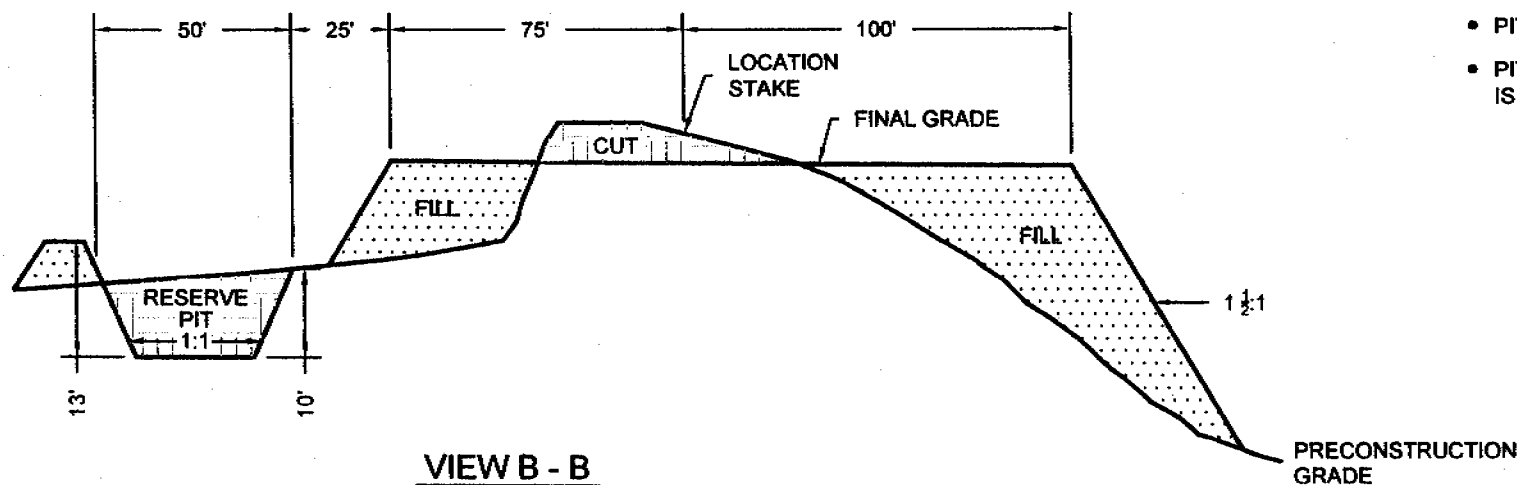
SURVEY FOR:
ConocoPhillips

WELL USA 15-421
WATTIS, CARBON COUNTY, UTAH
NE 1/4, NW 1/4, SECTION 15, T. 15 S., R. 8 E., SLB&M

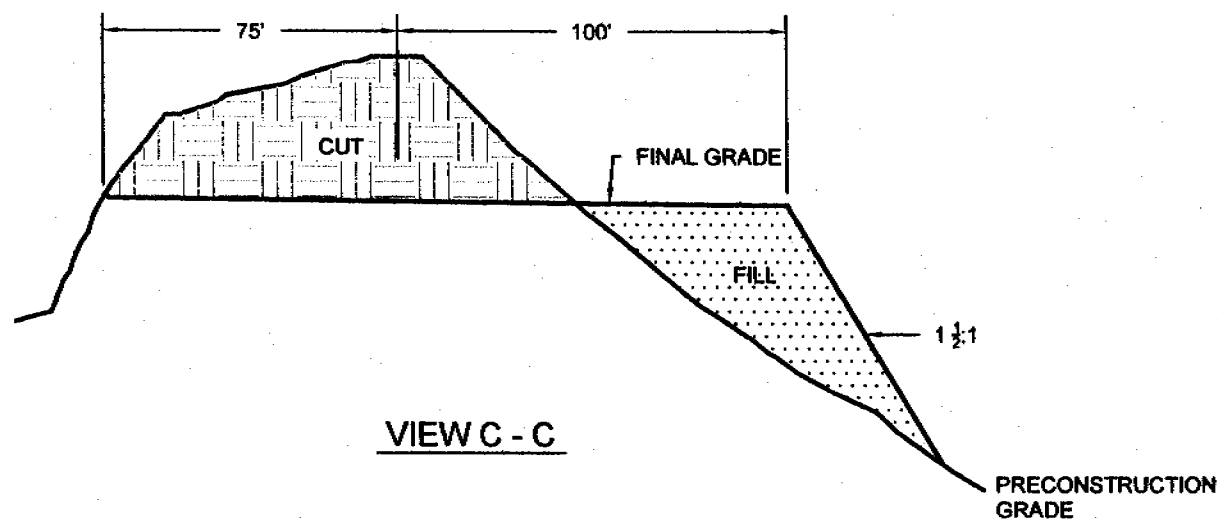
DRAWN BY: MCW	SCALE: 1" = 50'
CHECKED BY: BTBW	JOB NO.: CONOCO-WAT
DATE: 11-29-04	LOCATION LAYOUT
REVISIONS: 0	



VIEW A - A



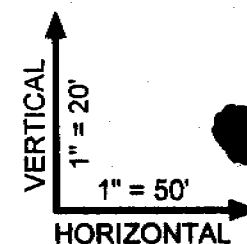
VIEW B - B



VIEW C - C

NOTES

- APPROXIMATE EARTHWORK VOLUMES
6" TOPSOIL STRIPPING = 760 CU. YDS.
TOTAL CUT = 7,800 CU. YDS.
TOTAL FILL = 7,600 CU. YDS.
- CUT AND FILL SLOPES ARE 1 1/2 : 1
- PIT CUT SLOPES ARE 1 : 1
- PIT CAPACITY WITH 2' OF FREEBOARD IS 2,600 Bbbs.



WARE SURVEYING & ENGINEERING, L.L.C.

Phone: 435-637-2620

Email: waresurveying@emerytelcom.net

2223 North 1200 West

Helper, Utah 84528

SURVEY FOR:

ConocoPhillips

WELL USA 15-421

WATTIS, CARBON COUNTY, UTAH

NE 1/4, NW 1/4, SECTION 15, T. 15 S., R. 8 E., SLB&M

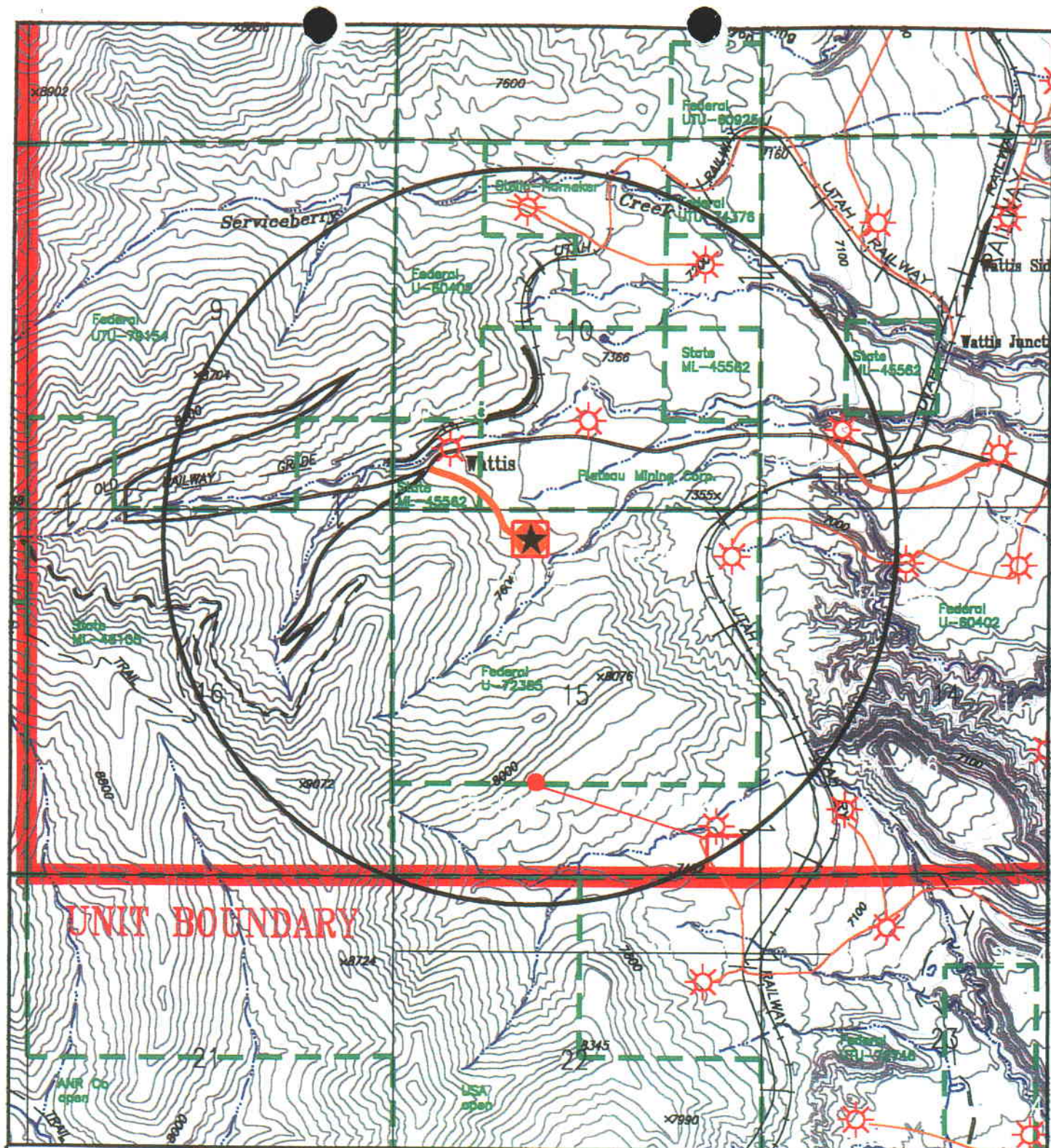
DRAWN BY: MCW SCALE: 1" = 50'

CHECKED BY: BTSW JOB NO.: CONOCO-WAT

DATE: 12-14-04

REVISIONS: 0

CROSS SECTIONS



LEGEND

Proposed Well Location:
 Directional Well Location:
 Other Proposed Well Locations:
 Proposed Road/Pipeline/Powerline:
 Lease Boundary:
 Existing Wells:
 Existing Roads:



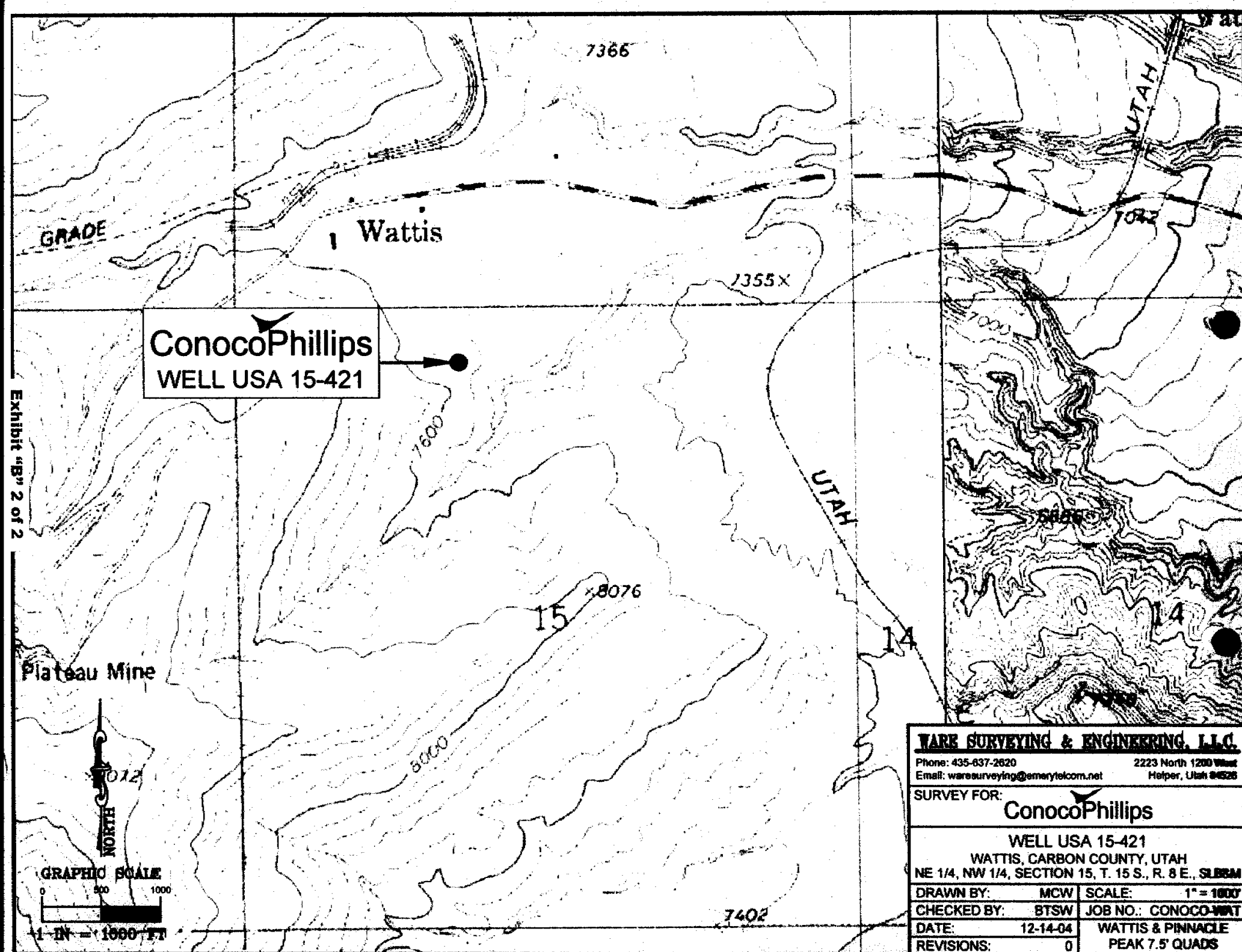
Scale: 1" = 2000'

10/08/2004

ConocoPhillips Company
 6825 South 5300 West
 P.O. Box 851
 Price, Utah 84501
 Phone: (435) 613-9777
 Fax: (435) 613-9782


ConocoPhillips
 Company

Well #15-421
 Section 15, T15S, R8E, S.L.B.&M.
 Carbon County, Utah



WARE SURVEYING & ENGINEERING, L.L.C.

Phone: 435-637-2620

Email: waresurveying@emerytelcom.net

2223 North 1200 West

Helper, Utah 84526

SURVEY FOR:

ConocoPhillips

WELL USA 15-421

WATTIS, CARBON COUNTY, UTAH

NE 1/4, NW 1/4, SECTION 15, T. 15 S., R. 8 E., SUBM

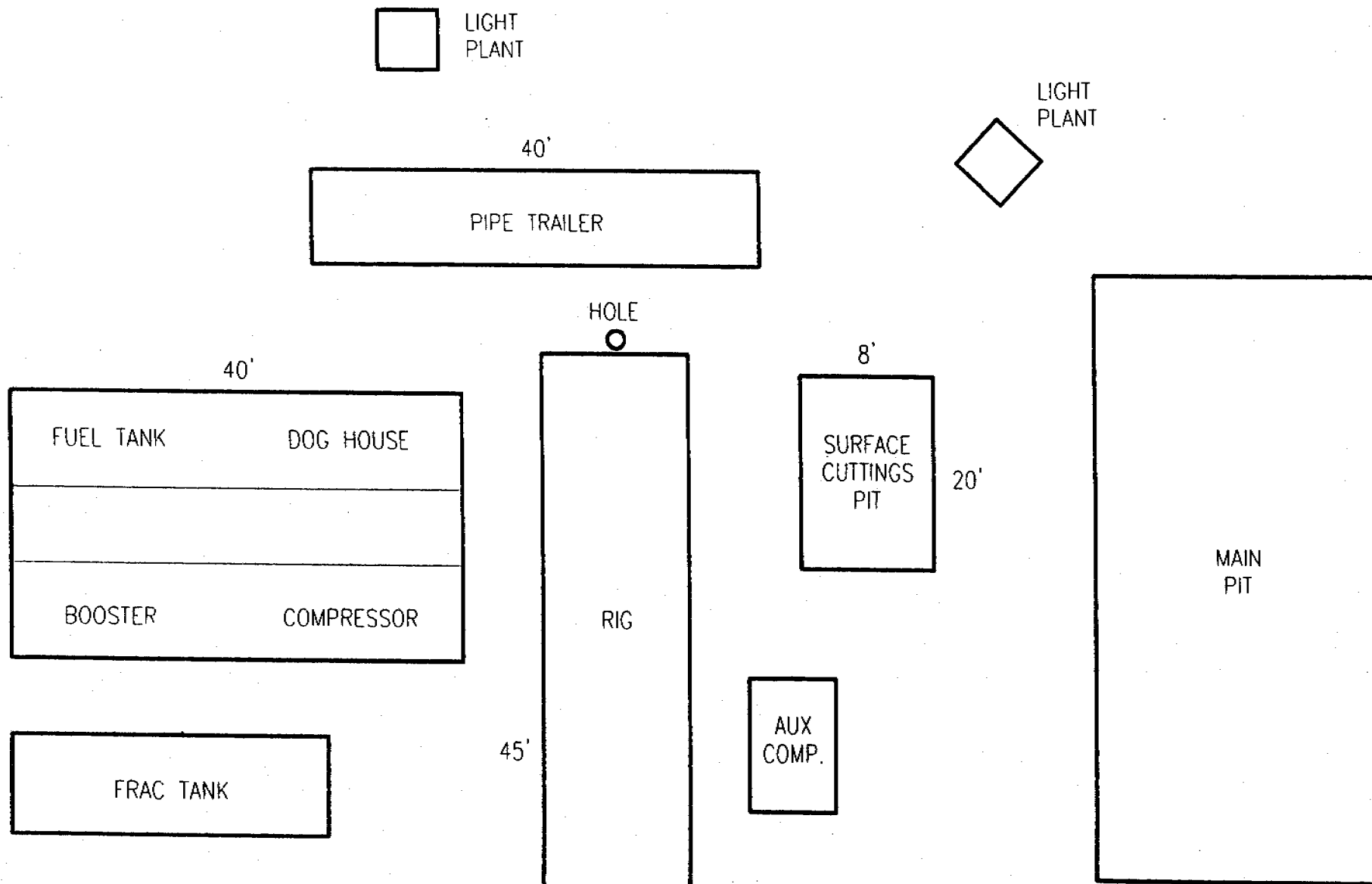
DRAWN BY: MCW SCALE: 1" = 1000'

CHECKED BY: BTSW JOB NO.: CONOCO-WAT

DATE: 12-14-04 WATTIS & PINNACLE

REVISIONS: 0 PEAK 7.5' QUADS

APPROXIMATE LAYOUT OF RIG & EQUIPMENT



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/25/2005

API NO. ASSIGNED: 43-007-30787

WELL NAME: USA 15-421

OPERATOR: CONOCOPHILLIPS COMPANY (N2335)

CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

PROPOSED LOCATION:

NENW 15 150S 080E

SURFACE: 0469 FNL 1909 FWL

BOTTOM: 0469 FNL 1909 FWL

CARBON

DRUNKARDS WASH (48)

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-72355

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? ~~NO~~ YES

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.52621

LONGITUDE: -111.0145

RECEIVED AND/OR REVIEWED:

- ☒ Plat
- ☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 8015-16-69)
- ☒ Potash (Y/N)
- ☒ Oil Shale 190-5 (B) or 190-3 or 190-13
- ☒ Water Permit
(No. PRWID)
- ☒ RDCC Review (Y/N)
(Date:)
- ☒ Fee Surf Agreement (Y/N)

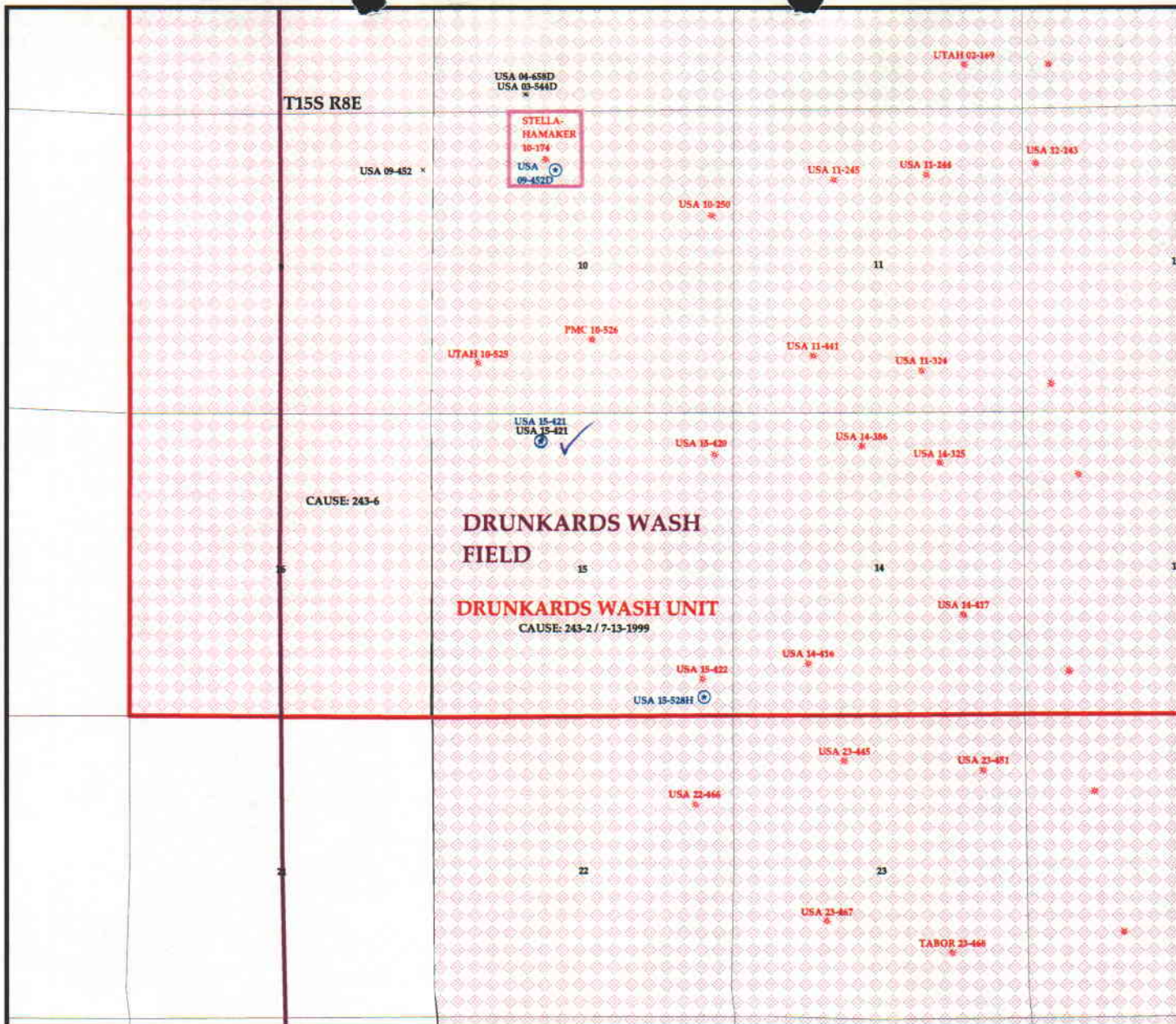
LOCATION AND SITING:

- ___ R649-2-3.
- Unit DRUNKARDS WASH or
- ___ R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
- ___ R649-3-3. Exception
- ☒ Drilling Unit
Board Cause No: 243-2
Eff Date: 7-13-1999
Siting: 460' fr u.b.drg. & 920' from. Tract
- ___ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1 - Federal Approval



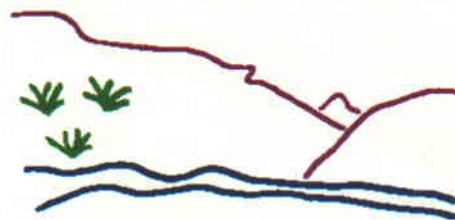
OPERATOR- CONOCOPHILLIPS CO (N2335)

SEC. 15 T.15S R.8E

FIELD: DRUNKARDS WASH (48)

COUNTY: CARBON

CAUSE: 243-2 / 7-13-1999



Utah Oil Gas and Mining

Wells

- ✱ GAS INJECTION
- ✱ GAS STORAGE
- ✱ LOCATION ABANDONED
- ⊙ NEW LOCATION
- ✧ PLUGGED & ABANDONED
- ✱ PRODUCING GAS
- PRODUCING OIL
- ✱ SHUT-IN GAS
- ✱ SHUT-IN OIL
- ✱ TEMP. ABANDONED
- ✱ TEST WELL
- ▲ WATER INJECTION
- ◆ WATER SUPPLY
- ✱ WATER DISPOSAL

Units.shp

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields.shp

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY
DATE: 28-FEBRUARY-2005



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 1, 2005

ConocoPhillips Company
P O Box 851
Price, UT 84501

Re: USA 15-421 Well, 469' FNL, 1909' FWL, NE NW, Sec. 15, T. 15 South,
R. 8 East, Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30787.

Sincerely,

John R. Baza
Associate Director

pab
Enclosures

cc: Carbon County Assessor
Bureau of Land Management, Moab District Office

Operator: ConocoPhillips Company
Well Name & Number USA 15-421
API Number: 43-007-30787
Lease: U-72355

Location: NE NW Sec. 15 T. 15 South R. 8 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 28, 2006

Jean Semborski
ConocoPhillips Company
P O Box 851
Price, UT 84501

Re: APD Rescinded -USA 15-421 Sec. 15, T. 15S R. 8E
Carbon County, Utah API No. 43-007-30787

Dear Ms. Semborski:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on March 1, 2005. On March 28, 2006, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 28, 2006.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Whitney
Engineering Technician

cc: Well File
Bureau of Land Management, Moab